

MAINE STATE LEGISLATURE

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(EMERGENCY)
(Governor's Bill)
FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 1683

H. P. 1598

House of Representatives, June 2, 1981

Referred to the Committee on Appropriations and Financial Affairs. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative Pearson of Old Town.

Cosponsor: Representative C.W. Smith of Mars Hill.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

AN ACT to Fund and Implement Certain Collective Bargaining Agreements and to Fund and Implement Benefits for State Employees Excluded from Collective Bargaining.

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the 90-day period may not terminate until after the beginning of the next fiscal year; and

Whereas, certain obligations and expenses incident to the operation of state collective bargaining agreements will become due and payable immediately; and

Whereas, it is the responsibility of the Legislature to act upon those portions of tentative collective bargaining agreements negotiated by the Executive Branch which require legislative action; and

Whereas, the Governor and the Legislature also share a desire to address the needs of state employees excluded from collective bargaining units on a timely basis; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following

legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. 5 MRSA § 1062, sub-§ 2, ¶ G is enacted to read:

G. Notwithstanding any other provision in this chapter, the State may agree to provide through a collective bargaining contract payment for a member's mandatory contribution to the Maine State Retirement System, as set by section 1095, in lieu of deducting the contribution from a member's compensation. Payments made pursuant to a collective bargaining contract shall be accumulated in the Retirement Allowance Fund. Payments shall be made in the same manner and on the same basis as contributions deducted from the member's compensation pursuant to paragraph A. Contributions made by the State on behalf of a member under this paragraph shall not be refunded in the event of withdrawal from membership or termination of service or in the event of death.

Sec. 2. 5 MRSA § 1095, sub-§ 9 is enacted to read:

9. Payments by the State in lieu of member's mandatory contributions. When the State pays for the member's mandatory contribution pursuant to a collective bargaining contract, as authorized by section 1062, subsection 2, paragraph G, the percentage rate paid by the State shall be that rate determined by the actuary and approved by the board which provides the same net revenues to the Maine State Retirement System as the applicable mandatory rate paid by the member.

Sec. 3. 5 MRSA § 1096, as last amended by PL 1979, c. 17, is further amended by adding at the end a new sentence to read:

This section shall not apply to member contributions which have been paid by the State.

Sec. 4. Appropriation for Institutional Services Bargaining Unit. There is appropriated from the General Fund to a special compensation account the sum of \$894,500 for the fiscal year ending June 30, 1982, and \$2,935,500 for the fiscal year ending June 30, 1983, to implement the economic terms agreed to by the State and Council 74, American Federation of State, County and Municipal Employees for the Institutional Services Bargaining Unit.

Sec. 5. Allocation and appropriation for State Police Bargaining Unit. There is allocated from the Highway Fund to a special compensation account the sum of \$210,500 for the fiscal year ending June 30, 1982, and \$717,500 for the fiscal year ending June 30, 1983; and there is appropriated from the General Fund to a special compensation account the sum of \$67,500 for the fiscal year ending June 30, 1982, and \$229,500 for the fiscal year ending June 30, 1983, to implement the economic terms agreed to by the State and the Maine State Troopers Association for the State Police Bargaining Unit.

Sec. 6. Appropriation for contract administration. There is appropriated from the General Fund to a special compensation account the sum of \$62,000 for the fiscal year ending June 30, 1982, and \$67,000 for the fiscal year ending June 30, 1983, to provide for contract administration, including contract preparation, implementation and arbitration.

Sec. 7. Appropriation for employees excluded from collective bargaining. There is appropriated from the General Fund to a special compensation account the sum of \$297,000 for the fiscal year ending June 30, 1982, and \$872,000 for the fiscal year ending June 30, 1983, to implement salary increases and benefits provided by this Act for confidential employees and certain other employees excluded from collective bargaining.

Sec. 8. Funding. The funding provided by this Act shall include retirement costs and shall be available for employees in the Institutional Services Bargaining Unit and the State Police Bargaining Unit and for confidential employees and certain other employees excluded from collective bargaining, except that positions supported from sources of funding other than the General Fund, or, for the State Police Bargaining Unit, the Highway Fund, shall be funded whenever possible from those other sources.

Sec. 9. Special accounts. The funding provided shall be segregated into special accounts to be made available as needed upon the recommendation of the State Budget Officer with the approval of the Governor.

Sec. 10. Adjustment of salary schedule of bargaining units. The current salary schedule for classifications in the Institutional Services and State Police Bargaining Units shall be adjusted at the start of the pay week closest to July 1, 1982, to reflect the salary provisions of the negotiated contracts.

Sec. 11. Basic group life insurance for the State Police Bargaining Unit. Effective January 1, 1982, the State shall pay the basic group life insurance premiums for those employees in the State Police Bargaining Unit who are participants in the state's group plan on January 1, 1982, and who join through procedures established pursuant to present statutes after January 1, 1982. The State shall hold a 30-day open enrollment period starting March 1, 1982, for all bargaining unit employees not then participants in the state's group plan. Effective March 30, 1982, the State shall pay the premiums of basic life insurance for employees who enroll during the open enrollment period. This provision shall not diminish the right of employees to carry additional insurance on themselves or their dependents.

Sec. 12. New employees; similar and equitable treatment. Employees in classifications which are included in the Institutional Services Bargaining Unit or the State Police Bargaining Unit, but who are excluded from collective bargaining pursuant to the Revised Statutes, Title 26, section 979-A, subsection 6, paragraph E or F, shall be given similar and equitable treatment to employees covered by the relevant contracts.

Sec. 13. Salary increases and benefits for confidential employees. For the purposes of this Act, confidential employees are defined as those within the Executive Branch, including probationary employees, who are excluded from bargaining units pursuant to the Revised Statutes, Title 26, section 979-A, subsection 6, paragraphs B, C, D, I and J and whose salaries are not subject to adjustment or approval by the Governor.

1. Effective July 1, 1981, the State shall pay toward the cost of spouse and dependent health insurance that additional cost of insurance premium incurred by confidential employees in May, 1981. Such payment shall not be retroactive.

2. Effective the pay week closest to July 1, 1981, the State shall pay the mandatory retirement contribution presently paid by confidential employees. Payment shall be made as authorized by the Revised Statutes, Title 5, section 1062, subsection 2, paragraph G.

Confidential employees not required by law to participate in the Maine State Retirement System may elect to receive a 5% salary increase in lieu of state payment of the retirement contribution. An employee electing to receive the salary increase shall so notify his appointing authority in writing on or before July 1, 1981. The salary increase shall be effective at the start of the pay week closest to July 1, 1981. New employees during the biennium who are not required to be a member of the Maine State Retirement System shall exercise the option at the time of appointment.

3. Confidential employees are eligible for retirement and who intend to retire on or before June 30, 1983, may elect to receive a 5% salary increase in lieu of state payment of the retirement contribution. An employee electing to receive the salary increase shall specify his intention to retire in a written agreement executed with the Governor or his designee on or before July 1, 1981. The salary increase shall be effective at the start of the pay week closest to July 1, 1981.

4. When the State pays for the member's contribution, the percentage rate paid by the State shall be that rate, as determined by the actuary and approved by the board, which provides the same net revenues to the retirement system as the applicable mandatory rate paid by the member.

5. Effective July 1, 1982, the State shall pay 50% of the total cost of spouse and dependent health insurance premium of confidential employees. This shall be in addition to continuance by the State of payment of the full cost of the premium for the individual employee's health insurance coverage.

6. Effective at the start of the pay week closest to July 1, 1982, the current salary schedules for confidential employees shall be adjusted to reflect an increase of 8% per week.

Sec. 14. Employees whose salaries are subject to Governor's adjustment or approval. For those unclassified employees whose salaries are subject to the Governor's adjustment or approval, the Governor may grant similar and equitable treatment consistent with this Act.

Sec. 15. Carrying clause. Any balances remaining from previous salary accounts and special accounts established by this Act shall not lapse, but shall be carried forward to June 30, 1983, to be expended for state employee salary increases and contract administration.

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved.

FISCAL NOTE

1. Institutional Services Bargaining Unit

General Fund Appropriation	1981-82	1982-83
Retirement July 1, 1981	\$ 795,336	\$ 795,336
Health Insurance Payment, July 1, 1981	98,905	112,213
July 1, 1982 Increase		1,743,305
Health Insurance, July 1, 1982 and Holiday Premium Overtime		<u>244,369</u>
	<u>\$894,241</u>	<u>\$2,935,223</u>

2. State Police Bargaining Unit

General Fund Appropriation	1981-82	1982-83
Retirement July 1, 1981	\$ 55,905	\$ 55,905
Health Insurance July 1, 1981	7,362	7,362
Life Insurance July 1, 1982	4,088	8,176
July 1, 1982 Increase		143,988
Health Insurance July 1, 1982		<u>14,157</u>
	<u>\$ 67,355</u>	<u>\$ 229,588</u>
Highway Fund Allocation	1981-82	1982-83
Retirement July 1, 1981	\$ 174,633	\$ 174,633
Health Insurance July 1, 1981	22,996	22,996
Life Insurance January 1, 1982	12,770	25,540
July 1, 1982 Increase		449,777
Health Insurance July 1, 1982		<u>44,224</u>
	<u>\$ 210,399</u>	<u>\$ 717,170</u>

3. Contract Administration

General Fund Appropriation	1981-82	1982-83
Contract Preparation Arbitration and Other Costs of Contract Implementation and Administration.	\$ 62,000	\$ 67,000
	1981-82	1982-83

4. Employees Excluded from Collective Bargaining.**General Fund Appropriation**

Retirement July 1, 1981	\$ 288,125	\$ 288,125
Health Insurance July 1, 1981	8,563	8,563
July 1, 1982 Increase		562,357
Health Insurance July 1, 1982		<u>12,679</u>
	\$ 296,688	\$ 871,724

Note: July 1, 1982, increases cover salary increases including retirement.

STATEMENT OF FACT

This bill provides funding and implementation for the biennium of the cost items in the collective bargaining agreements reached between the State and Council 74, American Federation of State, County and Municipal Employees for the Institutional Services Bargaining Unit and between the State and the Maine State Troopers Association for the State Police Bargaining Unit. The bill also provides funding and implementation of salary increases and benefits for employees of the Executive Branch excluded from coverage under the State Employees Labor Relations Act.

Sections 1 to 3 of the bill amend statutes relating to the Maine State Retirement System to permit the State to pay for a member's mandatory contribution to the retirement system. Contributions made by the State in lieu of deducting the mandatory contribution from a member's pay may not be withdrawn by the member. All other member contributions may be withdrawn under existing law and rules.

State payment of the member's mandatory contribution is at an actuarially determined rate providing the same net revenues as the member's mandatory contribution.

Sections 4 to 7 provide appropriations and allocations to fund the bargaining agreements, to provide for contract administration, and to fund salary increases and benefits for employees who are excluded from collective bargaining.

Sections 8, 9, 10 and 15 provide authorizing language for approval and use of the funds provided, for the adjustment of salary schedules, and for carrying funds forward.

Section 11 provides authority for the State to pay basic group life insurance premiums for employees in the State Police Bargaining Unit and to hold an open enrollment period for unit employees not already in the state's group plan.

Section 12 provides for equitable treatment of probationary and temporary employees in classifications in bargaining units addressed by this Act, but excluded from collective bargaining.

Section 13 provides salary increases and benefits for confidential employees, which are similar to those of classifications in the bargaining units addressed by this bill.

Section 14 authorizes the Governor to give similar and equitable treatment to unclassified employees whose salaries are subject to the Governor's adjustment or approval.